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FM AMEMBASSY KABUL
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INFO RUCNAFG/AFGHANISTAN COLLECTIVE
RUEHNT/AMEMBASSY TASHKENT 6908
RUEHAH/AMEMBASSY ASHGABAT 5684
RUEHDBU/AMEMBASSY DUSHANBE 0700
RUEHIL/AMEMBASSY ISLAMABAD 6854
RUEHTA/AMEMBASSY ASTANA 0038
RUEHZG/NATO EU COLLECTIVE
RUEKJCS/OSD WASHINGTON DC
RUEKJCS/JOINT STAFF WASHINGTON DC
RUEKJCS/SECDEF WASHINGTON DC
RUEABND/DEA HQS WASHINGTON DC
RHMFIUU/HQ USCENTCOM MACDILL AFB FL
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC
RHEFDIA/DIA WASHINGTON DC
RUCPDOG/DEPT OF COMMERCE WASHINGTON DC

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DEPT FOR SCA/RA, SCA/A, EEB, EEB/ESC/IEC (GRIFFIN)
DEPT PASS FOR AID/MARK WARD, AID/ANE, OPIC
DEPT PASS USTR FOR LILIENFELD AND KLEIN
DEPT PASS OPIC FOR ZAHNISER
DEPT PASS TDA FOR STEIN AND GREENIP
CENTCOM FOR CG CFC-A, CG CJTF-76, POLAD, JICENT
NSC FOR JWOOD
TREASURY FOR ABAUKOL, BDAHL, AND MNUGENT
MANILA PLEASE PASS ADB/USED
PARIS FOR USOECD/ENERGY ATTACHE
OSD FOR SHIVERS, SHINN
COMMERCE FOR DEES, HAMROCK, AND FONOVICH

SIPDIS

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TAGS: [ENRG](#) [EFIN](#) [ETRD](#) [KPWR](#) [EAID](#) [PGOV](#) [AF](#)

SUBJECT: AF: UPDATE ON USG ENERGY PROJECTS

¶1. (U) The following cable provides a current status update on USG energy sector projects in Afghanistan.

¶2. (U) KABUL 100 MW GENERATOR SETS (GENSETS) - All work at the site is progressing apace with no significant delays. Equipment and parts are arriving daily, with some 70 pieces already at the site. Construction of the camp for expat and other workers is complete, and all other construction of power plant buildings and structures is advancing on schedule. The first 6 diesel engines and generators (of 18 total) will arrive by air in mid-August, with an additional six by early September. By December 31, 70 MW should be on-line, with the additional 35 MW in the spring. Former problems with the neighboring Hotak tribesmen have been resolved with the assistance of the Ministers of Energy and Urban Development.

¶3. (U) North East Power System (NEPS) - UZBEK COMPONENT - Though the GIROA has made progress in its discussions with the Uzbeks, there is still no firm agreement or schedule for constructing the remaining stretch of distribution line in Uzbekistan. On 23 July Mr. Rabbani of the Afghanistan Ministry of Energy and Water (MEW) left for Uzbekistan to complete technical details of the proposed agreement for construction of the 220 kV line segment in Uzbekistan. On July 28, the GIROA has made the first installment payment to the Uzbeks of \$2.5 million. In early July, an Uzbek technical team visited Afghanistan and inspected the line to assure itself there would be no technical difficulties in connecting to NEPS, and left with that assurance. An Afghan delegation is now scheduled to return to Uzbekistan the week of August 25 to sign the construction contract.

¶4. (U) NEPS - TAJIKISTAN COMPONENT - On 20 July, GIROA representatives informed USAID technical assistance experts that Afghanistan and Tajikistan have agreed on a price for the imported

energy and that the PPA could be signed shortly. USAID has continued to provide the MEW with assistance in finalizing the proposed PPA with Tajikistan. The successful conclusion of a PPA is expected shortly.

15. (U) NEPS - TURKMENISTAN COMPONENT - On July 16-18, the Joint Working Group (JWG) of MEW and the Turkmenistan Minister of Energy and Industry (MOEI) met in Ashgabat to discuss technical details of the construction of a 500 kV interconnection for the supply of electric energy from Turkmenistan to Afghanistan. The meeting resulted in a protocol agreement to continue working collaboratively and for the development by the Turkmen of a firm construction schedule. USAID/Afghanistan's Deputy Director of Infrastructure, Engineering and Energy participated in the meeting, a demonstration of USAID's commitment to the construction of the proposed transmission line within Afghanistan. The next meeting of the working group will take place within three months.

16. (U) SHEBERGHAN GAS FIELDS TESTING - A sub-contract to a Turkish-American firm has now been signed and the subcontractor is purchasing and shipping well casings and other supplies. Planning for the contractor/sub-contractor camp is also underway. Highly specialized well-logging and testing equipment will be coming from Kazakhstan. USAID resolved the former well-fire insurance issue by modifying the prime contract to include an optional line item to cover well-fires, should they occur. It is estimated the first wells should be reopened by the end of September, with initial results available 30 days later.

17. (U) South East Power System - SEPS - The repairs of Unit 3 at
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Kajaki continue on-schedule with completion projected by Spring, though there are efforts underway with the subcontractor to conclude the work sooner. Airlifting 8 large pieces for Unit 2 equipment from Kabul to Kandahar Air Field (KAF) is underway. There has been significant coordination between USAID, ISAF, RC/South, and TF Helmand not only for loading the equipment at KAIA and offloading it at KAF, but in preparations and planning for the military to move the 8 heaviest pieces by road from KAF to the Kajaki site. All smaller parts will be taken from KAF to Kajaki by USAID's contractor. USAID is in the process of acquiring new expressions of interest by local contractors for repair of the 110 kv transmission line from Kajaki to Kandahar and Lashkar Gah. That period ends August 14, with a subcontract for the combined tasks of assessing repair requirements then actually implementing the repairs to follow shortly thereafter. Until the assessment has been completed, we cannot estimate the completion date of the work. Once repaired, the line will have the capacity to carry the full production of all three units at Kajaki, minus the power that is destined for Musa Qala and environs.

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